

## Large shareholders' motive of private benefits of control, grow options and investmen timing decision

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**Abstract:** Under the background of different benefits motives of controlling shareholder, this paper study how and why the growth options of corporation affect controlling shareholders' investment timing decision. The results indicated that effect of growth options on controlling shareholders vary with different benefits motives. Controlling shareholder with benefits tunnelling motive is easy to complicated with more serious delay deferring investment problems, comparable to that cotrolling shareholder with cost compensation motive makes the investment timing decision which is more close to corporation aim. Second, growth options of corporation has incentive effect on the controlling shareholders' deferring investment problems, but the effects is different with vary benefits motivation. Specific as follow: incentive effect of controlling shareholder with cost compenstation movtive is significantly better than controlling shareholder with benefits tunneling motive. Furthmore, the effect of growth option increases with bigger growth factor or more shares of contolling shareholder.

**Key words:** large shareholders; benefits of control; benefits motivation; investment decision

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